

SB 42 DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan puts employees in the driver's seat. Both the employee and the employer contribute to the employee's individual account. Employees then control how their contributions are invested choosing from the investment options available in the plan.

Defined Contribution employees depend on the size of their individual account balance at retirement. Their account balance, in turn, depends on contributions and investment earnings. Investment earnings can be either positive or negative during any period of time. In the Defined Contribution Retirement Plan employees assume the investment risk, but are also entitled to all investment returns.

Employee accounts will grow over time, depending on the following:

- Contributions
- Investment earnings (either positive or negative) and
- Length of time invested

Total contributions to Defined Contribution individual accounts will be 12.09%.

- 7.90% Employee
- 4.19% Employer

In addition to contributing to the defined contribution account, employers contribute the following:

- 2.37% to the Plan Choice Rate (PCR)
- 0.04% to the Education Fund
- 0.30% to the Long-Term Disability Fund
- 1.00% to Temporary Additional Contributions to PERS - Defined Benefit Retirement Program and 0.37% to the Plan Choice Rate Additional Contribution. This latter amount increases annually and will be .47% ON 7/1/15.

